"A study of Corporate Social Responsibility for uplifting the socio-economical growth through Bassein Catholic Co-operative Bank Ltd."

A

RESEARCH PROPOSAL

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I. Introduction: -

Business is basically an economic activity, but in modern world it cannot concentrate merely on profit maximization. It is a group effort, as there is participation, directly or indirectly, of the workers, management, customers, shareholders, government and the society.

Further Business cannot function independently and depends on the society for supply of raw materials, capital, labour, and other requirements. Business is a part of the society and has to follow and operate within the limits of the rules and regulations prescribed by the society.

It is the responsibility of the business to produce and supply the goods at fair prices, provide fair wages and facilities to its employees, provide a fair return on shareholders funds, pay taxes and duties regularly and contribute to social development in which it is prospering.

The current outlook on business appears to be a blend of high prospects for growth on one hand and serious concerns about its impact on the society and environment on the other. Today, it has become extremely important for a company to align its interest with those of stakeholders.

Corporate social responsibility (CSR) is generally understood as a moral obligation that is supposed to be shown by organizations towards the society in lieu of profits generated through customers who are a part of the same society. Companies also have to show a concern for CSR to prove the value proposition of the brand to the current as well as prospective customers. Today customers are of the view that if it is a well-known company, it undertakes certain activities not merely for the motive of profit but also for a social cause.

- **Statement of the Problem:**

  It is a high time to evaluate the role of Co-operative Banks in the rural development and also to find out how it can help in adopting CSR and financial inclusiveness policies at rural areas. Hence in order to bring the idea of economic development at grass root level in reality, Co-operative Banks have no alternative.

  The rational of the study can be justified after taking into account the following reasoning:

1) A large section of the society is still away from the banking reach, from the reach of commercial and conventional banking.
2) Small and marginal borrowers are not educated to avail benefits of banking facility.
3) There is absence of awareness about banking and other commercial activities which results in lack of financial development in this region. It is the appropriate development of banking and financial education which can remove these barriers.
4) In order to uplift socio-economic and commercial standards of marginal and oppressed sectors in Palghar District, it is necessary that CSR practices along with Financial Inclusiveness Policies should be main thrust area. This can be rightly implemented by Co-operative Banks. Hence development of such Co-operative Banks for implementing CSR in Palghar District can be rightly justified.

Again, there are number of dilemma about the concept of corporate social responsibilities, especially in the developing country like India, where such concepts need legal enforcement. However, a number of Indian banks have taken initiatives to implement the concept of corporate social responsibilities. The present research focuses on the initiatives taken by the Indian banking industry and resulting impact on its overall performance. Against this background it is worthwhile to analyse the concept of corporate social responsibility under the title **" A study of Corporate Social Responsibility for uplifting the socio-economical growth through Bassien Catholic Co-operative Bank Ltd."**

II. Review of literature:-

The concept of CSR has a long and varied history. The concept existed in remote past in varied forms but never got a formal recognition until 20th century that has seen many turbulent times since its beginning. A concern for social responsibility can be traced back to the 1930s. Chester Barnard's 1938 publication, The Functions of the Executive, J. M. Clark's Social Control of Business from 1939 and Theodore Krep's, *Measurement of the Social Performance of Business,* published in 1940 were two early references to the social responsibilities of executives and business.

Amaeshi and Adi (2006) the concept of social responsibility has been interpreted by different authors from different corporate perspectives. A number of concepts and issues are subsumed under the heading of CSR, including human rights, environmental perspective, diversity management, environmental sustainability and philanthropy. Thus, it can be said that the concept of CSR is complex in nature.

Bhasin, M. L., (2006) the term 'governance' has been derived from the word 'gubernare', which means "to rule or steer". Ultimately, corporate governance can be improved by making corporate operations more transparent without sacrificing business strategy and secrets, which are absolutely necessary for success in the competitive market place. More and more corporations are, therefore, being tested on 'minimum' ethical standards laid down by 'shastras' and several regulatory agencies.

Venu Srinivasan (2007) highlighted that Corporate Social Responsibility is more than philanthropy and must not mean "giving and receiving". An effective CSR initiative must engage the less privileged on a partnership basis. "CSR means sustainable development of the community by being partners in their progress." The government has been evolving a large number of welfare schemes for the people but experience shows that in most cases the benefits do not reach the most deserving. Industries have expertise in man management, financial management and business planning. They can easily provide the missing ingredients of leadership and organization and establish the "last mile connectivity" to reach the benefits to the deserving people.

Therefore the focus of CSR could be unlocking the last mile connectivity. Industry must be a catalyst for social development. They must provide the leadership, know-how, training, etc.

According to Indu Jain (2008), a lack of understanding, inadequately trained personnel, non-availability of authentic data and specific information on the kinds of CSR activities, coverage, policy etc. contribute to poor reach and ineffectiveness of CSR programmes in India. But the situation is changing, CSR is coming out of the purview of "doing social good and is fast becoming a business necessity."

Theorization of Research Topic:

Corporate Social Responsibility in India

After Independence, policy-makers suggested that companies use a part of their accumulated wealth to help to eradicate social problems. The concept of corporate social responsibility in India emerged as a direct response to the policies of the government making India a socialistic, democratic state.

Corporate social responsibility means devising corporate strategies and building a business with the society's needs in mind. These businesses especially Banks have far reaching effects, not only on the economic well-being of the nation but also upon its social fabric. Business organizations have become one of the most significant social institutions, having the power to influence the lives of the people.

Corporate social responsibility in public sector banks:-

The Reserve Bank of India (RBI) had appointed a committee to look into the roles of directors in banks and financial institutions. The committee recommended a list of measures to improve the governance practices in banks including development of human capabilities. As a regulator, the RBI has been alert in learning from the experiences of other countries and has progressively introduced international prudential standards.

Corporate social responsibility in International Banks:-

The current international initiatives seek to enfold the banks' initiatives since 1992, when the statement of Environment and Sustainable Development was drafted by banks under auspices of the United Nations Environmental Program. It aimed at raising environmental awareness within financial market, fostering the integration of environmental and sustainability considerations in credit, investment and operational practices. More than 250 banks and financial institutions have signed the statement which implies the banks subscribe to and promote 'social responsibility' in their business endeavor.

CSR in Co-operative Banks:

The co-operative banking movement was born in 19th century in Europe to fight against the financial exclusion of social groups and alleviate the plight of rural population. Originally, co-operative banks were associations enabling their members to build up savings, to give access to loans and to create an independent livelihood, which was not possible with existing banking institutions, providing financial services almost exclusively to upper class. " The co-operative principles of self-reliance, personal responsibility and autonomy" were at the origin of the movement.

The global financial crisis of the last four years has resulted in bailouts and bankruptcies of major financial institutions around the world, declines in stock market values and recessions in developed economies. So, interest in sustainable alternatives is growing. Cooperative banks want to be a part and solution and can be a driving force to a more sustainable society and economy. They also promote an ambitious vision of Corporate Social Responsibility (CSR)

III. Importance of the study:-

The relevance of this topic lies in the fact that the banks are endowed with enormous financial resources, which largely belongs to the public. The efficient deployment of these resources is critical to the economy. On the other side, the cost could be severe and colossal, if governance is poor in banks.

Moreover, the banking industry is very important in the economy as it provides funds to several economic activities along with a payment system for effective funds circulation. Further, there is need to interpret Corporate Governance as widely possible as the concept of stakeholders and risks bearers extend to many categories in banks i.e. depositors, borrowers, employees, shareholders, etc.

Now a days, there is an increase in risks in banking sector due to rapid changes brought out by globalization, liberalization and innovation in financial product combined with technological advantages.Therefore, the failure of bank, not only affects its own stakeholders but also systemic failure of banking system as a whole.

Current shift in societal expectations are strongly towards business demonstrating that it can behave ethically and responsibly in return for the freedom and opportunities that society bestows on it. Therefore, social obligations should not be seen as just another cost; on the contrary, a clear corporate social responsibility brings better corporate performance.

IV. Limitations of the Study

The present study is constrained by time, cost and physical limitations of the researchers. The universe for the present study is restricted to Palghar District again the perception of findings and results of the study will be based on the responses sought from the sample under study.

V. Objectives of study

The objectives of study are as follows.

1. To study how the concept of CSR can be implemented in Palghar District with the help of Bassien Catholic Co-operative Bank.
2. To identify likely outcomes and impact of various financial programs and schemes of Bassien Catholic Cooperative Bank in uplifting the weaker section.
3. To study the causes for adopting CSR.
4. To critically evaluate the effects of social responsibility of Bassien Catholic Cooperative Bank on Education, Health, Economic Upliftment and Development.
5. To study remedial measures to improve ethical standards in Co-operative Banks and to know about the policies adopted by co-operatives in Palghar District.

C. Justification of the objectives:

The objectives stated above can be rightly justified on following grounds:

1. CSR is now the most preferred area of economic planning in India.
2. The fulcrum of the study can be soundly established with the help of a CSR Practices.
3. The dream of economic equality with sustainable development cannot be achieved unless and until larger sections of the society participates in the growth process.
4. The concept of progress is not merely numerical and financial but it has to have social, moral, cultural, economic and of Ethical dimension.

VI. Research Methodology

The various aspects of research methodology based on pilot study are:

- Universe: This research proposal shall be considered as a pilot study to have the rational assessment of existing Customer Satisfaction of Bassien Catholic Co-operative Bank and its policies. From this point of view, the project is undertaken as a model study. The universe for this project shall be restricted to Co-operative Bank and that too in Palghar District.

- **Sample:**

  Due to time and cost constraint, the research would be confined to Palghar District. The research will make use of random sampling technique to select Four Branches, Head Office and approximately 500 respondents (consisting of directors, officers, customers and other beneficiaries). In case need arises, further to establish the hypothesis, opinions from the employees of the institution will be tapped.

- Justification for the sample:

  The sample is well justified on the following grounds:-

  a) Sample size seems to be large and adequate.
  b) Sample fairly represents the customer satisfaction in Co-operative Bank under Study.
  c) The sample has considered Bassien Catholic Co-operative Bank, which would be studied for the purpose of project.
  d) Considering the sample size, various statistical as well as other socio-metric techniques can be applied to evaluate the data.
  e) The sample considers various categories of respondents.
  f) Considering the largeness of sample size, the question of bias can be minimized.

- **Method of Data Collection:**

(a) **Primary data:** The present study is both descriptive & analytical in nature. The primary data for this purpose shall be collected from various branches of Bassien Catholic Co-operative Bank in Palghar District through interviews and questionnaire.

(b) **Secondary data:** Secondary data for this study shall be collected from the publish materials, various books, magazines, journals etc. Secondary information shall also be obtained from newspaper & other relevant publications.

Considering the nature of respondents, the following techniques of collecting primary data would be used:

Method	Utility	Justification
Questionnaire	Questionnaire method is used to collect first hand basic information regarding profile of various categories of respondents mentioned above and collecting qualitative data which cannot be extracted otherwise from secondary sources.	Questionnaire will help to extract opinions on satisfaction of consumers and beneficiaries about the service provided by Bassien Catholic Co-operative Bank in Palghar District
Opinionnaire	Opinionnaires are used to check the authenticity and relevance of data collected through questionnaire, opinionnaires also provide greater insight into the problem under consideration.	Oppinionnaire will help to get opinions of experts on the relevance of service provided to consumers and the ethical standards maintained by Bassien Catholic Cooperative Bank in Palghar District.

Data analysis: The secondary data & primary data shall be analysed by adopting the suitable statistical techniques to draw conclusions & findings. The hypothesis will be tested by applying suitable statistical techniques.

- **Statistical analysis:**

a) Scaling Techniques: Scaling describes the procedures of assigning numbers to various degrees of opinions, attitudes and other concepts.

b) The secondary data & primary data shall be analysed by adopting the suitable statistical techniques to draw conclusions & findings. The hypothesis will be tested by applying suitable statistical techniques.

- **Research Report:**

The research report will be in the form of 'Popular Research Reporting Method'

VII. Period of Study:

The observations made from the data for the years 2010 to 2015 to arrive at the conclusions.

VIII. Hypothesis:

The hypothesis pertaining to objectives are as follows:

1. CSR is the key to improve the socio-economic status of the rural poor.
2. The concept of rural development cannot be achieved without effective use of CSR.
3. Upliftment of weaker section and rural development is possible in Palghar District with the help of effective participation of Co-operative Banks by enhancing CSR, financial literacy and economic awareness amongst rural poor.
4. The rural cooperative can definitely implement various policies of Government with effective use of CSR.

Expected Contribution:-

This study will focus on prerequisite for successful adoption of CSR i.e. the commitment of the board and top management. As their commitment alone can ensure that CSR's are put into the effort and there is an upgradation in the social standard of living in the community they operate.

The concept of CSR through financial inclusiveness is not only innovative but it has a higher social impact. It works for those who were not included in the main stream of society for the variety of reasons .The section who is competent, caliber was denied for want of opportunities and resources. CSR shall help in many ways. It shall reduce the dependence of this class for money from private moneylenders and other agencies that exploit people socially, economically and morally

CSR thus is an instrument of socio economic upliftment and change. This policy is people-oriented and encourages people's participation in growth process. It has a higher mass appeal and mass base. Hence CSR and inclusive policies work more

effectively because of its emotional bondage and involvement of people who work in the process of economic development. CSR and Inclusiveness thus is not only for economic development but for social change.

Cooperative Banks encourage self help participation and development through equal opportunity. Same is the principle of financial inclusive policies and CSR. Furthermore cooperative movement promotes democratic spirit and the ideology of equality of opportunities. Rural cooperatives thus inculcate the basic philosophy of growth through social participation.

Again it is no wonder, that organizations having strong HR policies and practices of CSR enhance the public perception, which will be reflected in the company's growth, profitability and satisfied stakeholders. Corporate governance has become must for organizational health and wealth. It plays role of supporter and facilitator in the journey that enterprises undertake to reach the peak along with highest ethical standards.

IX. Proposed Chapter Arrangement

The tentative chapter arrangement, which is subject to changes, is as follows:

1) Introduction.
2) Review of Literature and Research Methodology.
3) Concept of Corporate Social Responsibility.
4) Perspective and Problems of Oppressed Sectors
5) Contributory role of Corporates in Improvement of Economical Status of Oppressed Sectors.
6) Analysis and interpretation of Statistical Data.
7) Findings, Suggestions & Conclusion of study.

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Annexure

1. Questionnaire

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